

## Message Text

CONFIDENTIAL

PAGE 01 BRASIL 03264 242308Z

ACTION EB-08

INFO OCT-01 ARA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03

LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15 STR-07

ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 STRE-00

OIC-02 ICAE-00 NSCE-00 INRE-00 SSO-00 /110 W

-----044078 242314Z /63

O 242226Z APR 78

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 7219

INFO USMISSION GENEVA

C O N F I D E N T I A L BRASILIA 3264

DEPT PASS STR

GENEVA FOR USMTN

EO 11652: GDS

TAGS: MTN, EGEN, BR

SUBJ: US-BRAZIL SUB-GROUP ON TRADE MEETING

REF: (A) STATE 096974 (B) BRASILIA 2961, (C) GENEVA 05805

(D) ROSENBAUM/MARSHALL TELECON APRIL 24

1. SUMMARY. FONMIN OFFICIALS ADVISED EMBASSY ON APRIL 24 THAT BRAZILIAN SIDE WOULD NOT BE PREPARED TO DISCUSS MTN TARIFF AND NON-TARIFF ISSUES BEYOND LIMITS OF BILATERALS IN GENEVA DURING THE PAST TWO WEEKS. WHILE NOT REQUESTING POST-PONEMENT OF WORKING GROUP MEETING MAY 2-4, FONMIN OFFICIALS INDICATED THAT HAVING THAT MEETING WOULD BE "WALKING IN PLACE". AT THE SAME TIME FONMIN IS EAGER TO MAINTAIN SCHEDULE OF MAY 8-9 FOR SUB-GROUP MEETING ITSELF. REQUEST INSTRUCTIONS URGENTLY ON MAINTAINING MAY 2-4 MEETING. END SUMMARY.

2. EMBOFF CALLED ON FONMIN ON APRIL 24 TO DISCUSS AGENDA FOR 5TH SESSION OF SUB-GROUP ON TRADE AND WORKING GROUP MEETING  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRASIL 03264 242308Z

MAY 2-4. TRADE POLICY CHIEF BOTAFOGO GAVE RUN-DOWN ON GENEVA BILATERALS AND EXPRESSED HIS CONCERN THAT GOB WOULD BE UNABLE TO PREPARE AN OFFER LIST "IN LESS THAN TWO OR THREE WEEKS". HE SAID IT WOULD BE COMPLETELY IMPOSSIBLE TO DISCUSS OFFIERS BEYOND WHAT WAS DISCUSSED IN GENEVA DURING THE PAST TWO WEEKS, OR TO CARRY FURTHER THE DISCUSSION OF THE US LISTS. AT THE SAME TIME BOTAFOGO SAID BRAZIL WOULD NOT REQUEST THE

CANCELLATION OR POSTPONEMENT OF THE WORKING GROUP MEETING. HE MADE IT CLEAR HE AND THE GOB WOULD BE RELIEVED IF THE USG WOULD DO SO. HE SAID THAT TO HOLD THE MEETING NEXT WEEK WOULD BE "WALKING IN PLACE".

3. BOTAFOGO WAS OF THE FIRM OPINION THAT THE MAY 8-9 SESSION OF THE US-BRAZIL SUB-GROUP ON TRADE SHOULD TAKE PLACE ON SCHEDULE. HE RECOGNIZED THAT THIS SESSION WAS SPECIFICALLY CALLED FOR IN THE CARTER-GEISEL COMMUNIQUE AT THE END OF THE PRESIDENT'S VISIT HERE. EMBOFF COMMENTED THAT THE OPPORTUNITY FOR POLITICAL CONTACTS BETWEEN THE TWO GOVERNMENTS ON THE MTN AT THAT TIME COULD BE USEFUL. BOTAFOGO AGREED, SAYING THAT IT WAS THE INTENTION OF THE GOB TO HAVE AMBASSADOR WOLFF MEET WITH MINISTERS OF STATE SUCH AS FINANCE MINISTER SIMONSEN.

4. IN REGARD TO THE AGENDA BOTAGOGO SUGGESTED THAT IF THE WORKING GROUP MEETING WERE TO BE MAINTAINED, PARALLEL MEETINGS COULD BE ARRANGED TO DISCUSS THE SPECIFIC CODES UNDER THE MTN. AFTER MAKING THIS SUGGESTION BOTAFOGO SEEMED TO RETREAT FROM IT BY INDICATING THAT THE GOB WOULD HAVE LITTLE OR NOTHING TO ADD NEXT WEEK THAT IT HAD NOT ALREADY SAID AT THE BILATERALS IN GENEVA. HE ALSO OBSERVED THAT HE HAD GATHERED IN GENEVA THAT THE US WAS MORE INTERESTED IN DISCUSSING TARIFF AND NON-TARIFF ISSUES THAN IN DISCUSSING THE CODES. HE SAID THAT HE ALSO BELIEVED THAT THE USG WAS NOT PREPARED TO DISCUSS CERTAIN OF THESE CODES, SUCH AS SUBSIDIES AND SAFEGUARDS, UNTIL WE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03      BRASIL 03264 242308Z

HAD COME TO TERMS WITH THE EC ON THEM. THEREFORE, BOTAFOGO CONCLUDED, THERE COULD BE NO REAL BILATERAL NEGOTIATIONS IN BRASILIA ON THESE CODES AT THIS TIME.

5. COMMENT. IT IS THE BRAZILIAN STYLE NOT TO REQUEST CANCELLATION OF A MEETING. AT THE SAME TIME THE GOB MADE IT ABUNDANTLY CLEAR TO US THAT IT WOULD PREFER TO HOLD THE WORKING GROUP IN ABEYANCE AND MAINTAIN THE SUB-GROUP ON TRADE MEETING. EMBASSY CANNOT BUT AGREE WITH ASSESSMENT IN REF C AND ELSEWHERE THAT BRAZILIANS ARE ENGAGED IN STALL. AT SAME TIME WE BELIEVE THEY DO HAVE SOME GENUINE DIFFICULTIES IN COMPLETING THEIR HOMEWORK AND GAINING HIGH LEVEL APPROVAL FOR MTN POSITIONS. FURTHERMORE, WE BELIEVE HIGH-LEVEL MEETING WHICH SUBGROUP ON TRADE REPRESENTS WILL SERVE AS A VEHICLE TO MOVE GOB, ALTHOUGH IT WILL NOT IN ITSELF SERVE TO RESOLVE MAJOR ISSUES.

6. ACTION REQUESTED. EMBASSY REQUESTS INSTRUCTIONS URGENTLY ON WHETHER WORKING GROUP MEETING SHOULD TAKE PLACE NEXT WEEK.  
JOHNSON

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, MEETING AGENDA, GOVERNMENT REACTIONS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BRASIL03264  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780175-0467  
**Format:** TEL  
**From:** BRASILIA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780426/aaaaavdt.tel  
**Line Count:** 113  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 04dac9a8-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 96974, 78 BRASILIA 2961, 78 GENEVA 5805  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 08 jul 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2874637  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** US-BRAZIL SUB-GROUP ON TRADE MEETING  
**TAGS:** EGEN, BR, MTN  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/04dac9a8-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014